HASTINGS UTILITY BOARD
AGENDA

Council Chambers – City Hall
220 North Hastings Avenue
April 12, 2018
9:00 AM

ROLL CALL:

PLEDGE OF ALLEGIANCE:

MOTION TO ADOPT CURRENT AGENDA FOR APRIL 12, 2018 REGULAR MEETING.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, April 10, 2018. Pursuant to Nebraska Revised Statute Section 84-1412, the public is advised that a copy of today's agenda and all reproducible written material which will be discussed at today's meeting is located at the back of the Council Chambers. Also, a current copy of the Nebraska Open Meetings Act is posted on the south wall of the Council Chambers which is accessible to members of the public.

MANAGER'S COMMUNICATIONS:

BOARD CHAIRMAN'S COMMUNICATIONS:

BOARD MEMBERS' COMMUNICATIONS:

CITIZEN COMMUNICATIONS:

CONSENT AGENDA:

1. All Consent Items.

    (a) Approval of the minutes of the Hastings Utility Board Meeting of March 8, 2018

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

3. General Business.

    (a) Finance

i. Financial Results Review - YTD January

ii. Financial Statement Backlog - Update

iii. HU and City Funding Sources - Rates -vs- Taxes

iv. Irrigation Rates Overview

(b) Production

i. Approval of Change Order No. 1 for WEC Switchgear with Siemens Industry, Inc.

ii. WEC-2 Outage Update

(c) Operations

(d) Administration

i. Key Performance Metrics (KPI's) - Board Level Selections

ii. Strategic Initiatives Reviews (two)

iii. Critical Capital Projects Review (one)

iv. Approval of Addendum to Capacity Purchase Agreement with City of Superior, NE

(e) Other

4. Possible Closed Session (if necessary or requested).

ADJOURN:

The Hastings Utility Board reserves the right to enter into an executive session at any time during the meeting, in accordance with the Nebraska Open Meetings Act, even though the closed session may not be indicated on the agenda. It is the intention of the Hastings Utility Board to take up the items on the agenda in sequential order. However, the Hastings Utilities Board reserves the right to take up matters in a different order to accommodate the schedule of the Utility Board Members, persons having items on the agenda, and the public.

CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, March 8, 2018

Pursuant to due call and notice thereof, a Regular Meeting of the Utility Board of Hastings, Nebraska was conducted in the Council Chambers of City Hall, 220 N. Hastings Avenue, on March 8, 2018.

ROLL CALL:

The meeting was called to order at 9:00 a.m. in Regular Session by Chairman Jack Shreiner with the following members present: Shawn Hartmann, Willis Hunt, Jack Schreiner. Absent: Bill Hitesman, Joanne Seberg.

PLEDGE OF ALLEGIANCE:

The Chairman led the group in recital of the Pledge of Allegiance to the United States of America.

MOTION TO ADOPT CURRENT AGENDA FOR MARCH 8, 2018 REGULAR MEETING.

Moved by Shawn Hartmann seconded by Willis Hunt to adopt the current agenda for March 8, 2018 regular meeting. Roll Call: Ayes: Shawn Hartmann, Willis Hunt, Jack Schreiner. Nays: None. Absent: Bill Hitesman, Joanne Seberg. The motion carried.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, March 6, 2018.

Chairman Jack Shreiner read the Public Notice - Pursuant to the Nebraska Revised Statute Section 84-1412, the public is advised that a copy of today's agenda and all reproducible written material which will be discussed at today's meeting is located at the back of the Council Chambers. Also, a current copy of the Nebraska Open Meetings Act is posted on the south wall of the Council Chambers which is accessible to members of the public..

MANAGER'S COMMUNICATIONS:

Utility Manager, Kevin Johnson expressed his appreciation for having Renee Jimenez on board as Director of Finance.

BOARD CHAIRMAN'S COMMUNICATIONS:

Board Chair Jack Schreiner said that he was contacted by Chuck Shoemaker about Hastings Utilities taking over the water operation at the East Industrial Park. Schreiner said that he was giving the Board and staff a heads up to communicate with Mr. Shoemaker to discuss what questions we may have, what the design will look like, what costs are associated, etc. Kevin Johnson said that the Engineering group communicated with Hastings Utilities about their plans. Willis Hunt said that he understands that the SID is planning to make the improvements to replace all the existing lines, fire hydrants, valves, etc. at that location, which serves about 20 customers with wholesale water purchased from the City of Hastings.

BOARD MEMBERS' COMMUNICATIONS:

None.

CITIZEN COMMUNICATIONS:

None.

CONSENT AGENDA:

1. All Consent Items.

   (a) Approval of the minutes of the Hastings Utility Board Meeting of February 8, 2018

Moved by Willis Hunt seconded by Shawn Hartmann to approve All Consent Items. Roll Call: Ayes: Shawn Hartmann, Willis Hunt, Jack Schreiner. Nays: None. Absent: Bill Hitesman, Joanne Seberg. The motion carried.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

None.

3. General Business.

   (a) Finance

      i. Introduction - Director of Finance/City Treasurer - Renae Jimenez

Kevin Johnson introduced Renae Jimenez, the new Director of Finance/City Treasurer. Jimenez shared with the Board her educational and professional background. The Board welcomed Renae.

      ii. Audit Results - Auditor - Almquist, Maltzahn, Galloway & Luth, P.C.

Marcy Luth of Almquist Maltzahn Galloway & Luth CPA's presented the Audit for Fiscal Year ending September 30, 2017. Willis Hunt remarked that he appreciated the detailed audit. Luth said that the HU staff prepared the audit report which was reviewed by them, with a few additions. She said that this was unique to have the staff put the body of the financial report together and Luth said that the HU staff did some great work. Renae Jimenez commented on the Audit report and how she can make changes within the accounting department to meet the recommendations from the auditors.

Jack Schreiner asked Luth if she felt the cash balances and net position are where they should be. Luth confirmed that they look good, although the Gas Department has an operating loss this year.

Kevin Johnson said that he and Renae Jimenez have discussed changes to be made to update and improve the monthly report. Jimenez thanked Marcy Luth and praised Deb McCoy and Julie Johnson for their good work in putting this audit together.

      iii. Approval of Resolution for Bank Signature Authority

Renae Jimenez said that in order to change the signatures at all the banking institutions, they require a copy of a resolution so they know the governing entity has approved certain people's signatures on the accounts. Willis Hunt asked if this will change since merging accounting functions. Jimenez said that at this time, this resolution is needed to get past employee's off the signature cards. However, in the future, signatures on employee checks will be the same for all city employees and will need a new resolution.

Moved by Willis Hunt seconded by Shawn Hartmann to recommend to the City Council approval of Resolution No. 2018-23 designating signees for accounts of Hastings Utilities. Roll Call: Ayes: Shawn Hartmann, Willis Hunt, Jack Schreiner. Nays: None. Absent: Bill Hitesman, Joanne Seberg. The motion carried.

(b) Production

i. Critical Capital Projects Update - WEC Switchgear and ASR Project

Keith Leonhardt gave a presentation on the Critical Capital Projects - WEC Switchgear and ASR Project.

(c) Operations

i. Approval of Out of District Water and Sewer Connection Fees for 2018

Keith Leonhardt presented the proposed Out-of-District Water and Sewer Connection Fees for 2018. He said that the purpose is to determine what the connection costs will be on a water and sewer project where the water and sewer main are existing. These costs are determined by looking at previous costs of projects in a new development. These costs have been reviewed by the Manager of Utilities and Street Superintendent.

Moved by Shawn Hartmann seconded by Willis Hunt to recommend approval by the City Council of Water and Sewer Connections Fees for 2018. Roll Call: Ayes: Shawn Hartmann, Willis Hunt, Jack Schreiner. Nays: None. Absent: Bill Hitesman, Joanne Seberg. The motion carried.

(d) Administration

i. KPI Dashboard Development

Kevin Johnson updated the Board on the status of Key Performance Indicators (KPI) Dashboard Development. He said that he and staff are moving forward with the KPI's in identifying and working on the measurements. Also working on benchmarks. He plans to have reportable progress at the next meeting to share with the Board.

ii. Strategic Initiatives Update (2) - SME's

Al Meyer gave a presentation on Strategic Initiatives which includes security at Hastings Utilities.

Butch Eley asked about barricades at Baltimore and North Shore. Vehicle safety is an issue as vehicles are driving around the barricades.

Meyer presented upcoming online safety training to the Board which includes over 150 general

topics. Bob Davis discussed with the Board how the online training program will be facilitated. The program will follow certifications, documentations and compliance. Kevin Johnson thanked Davis for researching and implementing this program for Hastings Utilities.

(e) Other

i. Discussion and Possible Action Concerning the Utilization of the HU Incentive Fund for LB 518 Grant Application, Work Force Housing

Mayor Corey Stutte informed the Board that Hastings has the opportunity as a community to apply for LB518 dollars. These would be geared towards workforce housing. The grant requires an equal match locally. Hastings already has a project in the works, the North Park Commons. Mayor Stutte said that they have been working with the developers on the apartment side of this project as well as development on 26th St. He said Hastings can apply for up to $1,000,000 which would require a $1,000,000 match. He would like to look at this project as an economic development opportunity to bring workforce housing to Hastings. The application is due the end of March. What Mayor Stutte is asking the Board to consider is the chance to utilize the economic dollars that are in the Hastings Utilities budget. There is currently $2,488,000 in the budget for economic development and he would like the Board to consider using money from this fund for the full match of whatever is awarded to the city. The City Council would have to approve the expenditure of the money for this project before going forward with the application.

Moved by Shawn Hartmann seconded by Willis Hunt to recommend the approval of the use of the Hastings Utility Economic Development fund to the Mayor and City Council for matching LB518 dollars for the North Park Commons housing project. Roll Call: Ayes: Shawn Hartmann, Willis Hunt, Jack Schreiner. Nays: None. Absent: Bill Hitesman, Joanne Seberg. The motion carried.

4. Possible Closed Session (if necessary or requested).

Moved by Willis Hunt seconded by Shawn Hartmann that this Board go into Closed Session, which Closed Session is clearly necessary for the protection of the public interest in that said Closed Session will consist of a strategy session relative to negotiations. Roll Call: Ayes: Shawn Hartmann, Willis Hunt, Jack Schreiner. Nays: None. Absent: Bill Hitesman, Joanne Seberg. The motion carried.

The meeting closed to the public at 10:23 a.m.

Moved by Willis Hunt, seconded by Shawn Hartmann, that the meeting be reopened to the public at 10:48 a.m., and that no decisions were made nor official actions taken during said Closed Session. Roll Call: Ayes: Shawn Hartmann, Willis Hunt, Jack Schreiner. Nays: None. Absent: Bill Hitesman, Joanne Seberg. The motion carried.

ADJOURN:

There being no further business, the meeting adjourned at 10:48 a.m

APPROVED:

_____

Board Secretary

To: Kevin Johnson
From: Keith Leonhardt KL
Date: April 5, 2018
Subject: Change Order No. 1 to Siemens Industry Inc. for WEC 1 switchgear replacement (Contract 194294.63.3606)

In 2017 a contract was awarded to Siemens Industry Inc. to provide 5 KV and 480 V switchgear for Whelan Energy Center Unit 1. This switchgear provides power to operate the large motors and equipment in the plant. This equipment was installed with the plant when it went on line in 1981. Plant staff is concerned about the reliability of these systems. The breaker operating mechanisms are wearing out. The protective relaying is of the electro mechanical type which is outdated. New switchgear will have solid state relaying with diagnostic capability. The new 5 KV switchgear will be located in an outdoor building.

Staff is requesting a change order to reflect scope changes since the contract was awarded. I have listed the changes below.

Item 1. The new switchgear building has 4 HVAC units and one Positive Pressure Unit on the east side of the building. Access to the units will be needed to replace filters and do maintenance. Without the additional platform access could only be provided safely by building scaffolding or accessing by a motorized lift by driving in the narrow area between the two buildings. Plant staff has reviewed this and recommended that the platform be installed.

Item 2. It was decided in the design that we needed to wire out additional terminal points for each 5 KV breaker. We also split the 125 V DC supply so that the busses are fed individually for reliability.

Item 3. We decided to install a variable frequency drive on the building positive pressure unit which will provide improved building pressure control as well as being quieter and more energy efficient. We also changed the platform size and decided to use a 6" filter on the positive pressure unit which will have a longer service life and be more effective in removing dust.

Item 4. After contract award a revision was made to the non segregated bus duct paint color to match the building color. This required Technibus to clean the spray equipment, booth, and the powder capture equipment and dedicate the paint line to our bus ducts.

CITY OF HASTINGS
CHANGE ORDER

1228 North Denver Avenue
PO Box 289
Hastings, NE 68902-0289

Ph. No. 402-463-1371
Fax No. 402-463-1705

Date 4/5/2018 **Change Order No.:** 1

Contractor Siemens Industry Inc. 194294.63.3606

Contract for Electrical Switchgear for WEC Unit 1

The contract is hereby changed as follows:	Dollars
1. Add additional platform to East side of switchgear building for safe access to 4 HVAC units and one Positive Pressure Unit (Siemens PDC-0002)	$41,668.00
2. Wire out additional terminal points to each breaker. Split the 125 V DC supply so that the busses are fed individually (MV-C-003)	$13,260.00
3. Install VFD and 6" Riga-Flow filter on the Positive pressure unit. Also increase landing length (PDC-C004)	$13,364.00
4. Change paint from Technibus standard paint to match building (NSBD-05)	$1,950.00

Net addition of this order	$70,242.00
Previous total addition to contract	$0.00
Net total addition to contract	$70,242.00
Original contract and budget amount	$1,978,605.00
Net contract amount	$2,048,847.00

CITY OF HASTINGS		CONTRACTOR	
By	_____	By	_____
Date	_____	Date	_____

HASTINGS
UTILITIES

Date: April 6, 2018
To: Kevin Johnson
From: Donald Cox

RE: Addendum to Agreement Regarding Capacity Purchase

The City of Hastings, Nebraska dba Hastings Utilities ("Hastings") and the City of Superior, Nebraska ("Superior") entered into an Agreement Regarding Capacity Purchase ("Agreement") effective February 16, 2017. The Agreement included a provision that allowed Superior the option to increase capacity levels for 2019 and 2020 to specified levels by providing written notice to Hastings prior to May 15, 2018. Superior has provided written notice to Hastings to exercise the option to increase to specified capacity levels plus has requested an additional 100 kW capacity in 2019.

Due to the request to increase capacity levels in 2019 beyond that provided for in the original agreement, Mr. Dave Ptak suggested an Addendum to Agreement Regarding Capacity Purchase ("Addendum") be executed by both parties. As with the original Agreement, due to the market sensitive nature of certain proprietary information portions of the Addendum are considered to be confidential and have been redacted from attached Addendum. Staff will be prepared to discuss all confidential information with the Utility Board in Executive Session if desired.

Staff requests the Utility Board take action to recommend approval of the Addendum to the Hastings' City Council at its next regular meeting on April 23, 2018.

I will be available at the April 12, 2018 Utility Board meeting to answer any questions.

Addendum to Agreement Regarding Capacity Purchase

This Addendum Agreement Regarding Capacity Purchase ("Agreement") is entered into this ___ day of _____, 2018, by and between the City of Superior, Nebraska, a municipal corporation of the State of Nebraska ("Superior") and the City of Hastings, Nebraska, a municipal corporation of the State of Nebraska, d/b/a Hastings Utilities ("Hastings"), hereinafter collectively referred to as the ("Parties").

WHEREAS, the parties have previously entered into an Agreement Regarding Capacity Purchase, effective February 16, 2017, wherein Superior purchased certain quantities of accredited capacity ("Capacity Quantity") and has the right, but not the obligation, to purchase all associated energy from Hastings subject to certain scheduling parameters; and

WHEREAS, said Agreement provided that Superior could adjust the capacity quantity it desired to purchase from Hastings by giving Hastings written notice thereof prior to May 15, 2018, as provided in Paragraph 1. (a) of said Agreement; and

WHEREAS, Superior has given Hastings written notice of its desire to increase its Capacity Quantity beyond the levels provided for in Paragraph 1. (a) by 100 kw in calendar year 2019; and

WHERAS, Hastings has the excess capacity available to provide the additional 100 kw Capacity Quantity to Superior in 2019;

NOW THEREFORE, in consideration of the foregoing recitals and the terms and conditions subsequently set forth herein, the parties hereto agree as follows:

1. The parties hereto hereby affirm and ratify the Agreement Regarding Capacity Purchase previously entered into between the parties which became effective on February 16, 2017, in all respects, except as specifically modified herein.

2. Superior shall purchase from Hastings the applicable regional transmission organization accredited capacity, according to the Capacity Quantity identified in revised Exhibit B attached, which capacity purchase shall be from the unit as set forth in Exhibit A, attached hereto and made part of this Agreement ("Unit"). Capacity Quantity shall include all associated energy generated by such Unit in accordance with the energy Schedules provided by Superior pursuant to Section 1(h) as provided in the aforementioned Agreement Regarding Capacity Purchase. Capacity Quantity shall not include ancillary services or required reserves.

3. Effective date of this Addendum shall be the _____ day of _____, 2018.

The parties have, through the authorized actions of their officers, executed this Addendum Agreement Regarding Capacity Purchase.

CITY OF SUPERIOR, NEBRASKA

By: _____
Mayor

Date: _____

ATTEST:

_____
City Clerk

CITY OF HASTINGS, NEBRASKA
dba HASTINGS UTILITIES

By: _____
Mayor

Date: _____

ATTEST:

_____
City Clerk

EXHIBIT A

TO ADDENDUM AGREEMENT REGARDING CAPACITY PURCHASE

between

City of Superior, Nebraska

and

City of Hastings, Nebraska dba Hastings Utilities

HASTINGS UTILITIES ELECTRIC GENERATING UNIT			
UNIT ID	**TYPE UNIT**	**MW RATING***	**FUEL USE****
DHPC	Combustion Turbine	18	G
* Summer capability rating			
** D = Diesel No. 2; G = Natural Gas			

This Exhibit A may be modified, upon mutual consent of both parties as is evidenced by execution of an amended Exhibit A.

CITY OF SUPERIOR, NEBRASKA

By: Tonia K Schmidt

Title: Mayor

Date: _____

CITY OF HASTINGS, NEBRASKA dba HASTINGS UTILITIES

By: _____

Title: Mayor

Date: _____

CONFIDENTIAL

REVISED EXHIBIT B

CONFIDENTIAL

TO ADDENDUM AGREEMENT REGARDING CAPACITY PURCHASE

between
City of Superior, Nebraska
and
City of Hastings, Nebraska dba Hastings Utilities

CAPACITY CHARGE		
Calendar Year	**$/KW-Mo.**	**Capacity Quantity**
2018	[redacted]	[redacted] KW
2019	[redacted]	[redacted] KW
2020	[redacted]	[redacted] KW
2021	[redacted]	[redacted] KW
2022	[redacted]	[redacted] KW

This Exhibit B may be modified, upon mutual consent of both parties as is evidenced by execution of an amended Exhibit B.

CITY OF SUPERIOR, NEBRASKA

By: Tonia K Schmidt

Title: Mayor

Date: _____

CITY OF HASTINGS, NEBRASKA dba HASTINGS UTILITIES

By: _____

Title: Mayor

Date: _____